

**Economic Impact Statement**  
LSA Document #06-428

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Description of Rule:**

The Indiana State Department of Health (ISDH) has responsibility for the licensure and regulation of health facilities pursuant to [IC 16-28](#). Health facilities are licensed to provide two levels of care, comprehensive or residential. Ninety-eight health facilities are licensed to provide both residential and comprehensive care. Current licensure rules ([410 IAC 16.2-5](#)) provide that a resident of a residential care facility in a health facility must be transferred to a comprehensive care facility if the resident requires comprehensive level care. There are three exceptions to this requirement. Residents with self-limiting conditions, residents receiving hospice care, and residents receiving comprehensive care from a licensed home health agency are not required to be transferred or discharged.

This rule amends [410 IAC 16.2-5-0.5](#) to allow a resident residing in a residential care facility to remain in that health facility when the resident needs comprehensive care services if (1) the resident, the resident's physician, and the residential care health facility agree in writing to the resident's continued stay; (2) the residential care health facility agrees in writing to provide the necessary comprehensive care to the resident; and (3) the health facility provides comprehensive and residential care.

The rule also allows licensed nursing personnel of a residential care health facility to prepare medication dispenser/organizers for residents who self-medicate.

**Economic Impact on Small Businesses****1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.**

[IC 4-22-2.1-4](#) defines a small business as any person, firm, corporation, limited liability company, partnership, or association that:

- (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;
- (2) is independently owned and operated;
- (3) employs one hundred (100) or fewer full-time employees; and
- (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

The ISDH does not have access to information regarding the gross annual receipts or any other financial information from health facilities licensed under [IC 16-28](#). Without that information the determination of whether a health facility affected by this rule is a small business cannot be determined.

Even assuming there are some health facilities affected by this rule that meet the definition of small business, this rule will not impose any additional expenditures or costs on those small businesses. Should the health facilities elect to pursue the opportunities offered by this rule, additional staffing, equipment, and overhead costs will likely be experienced. Those costs will vary with the facility and the area of the state in which the facility is located. Additional variation will result from the number of residents the health facility elects to care for under this rule.

**2. Estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.**

There are no additional reporting, record keeping, or other administrative costs that are imposed on small businesses by this rule.

**3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule.**

There is no annual economic impact to small business for compliance with the proposed rule.

**4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law.**

No requirement or cost is imposed on small businesses by the rule.

**5. Regulatory Flexibility Analysis**

Since there is no fiscal impact imposed on small business this analysis is not necessary.

**Conclusion**

There is no fiscal impact imposed on small business by this rule.

Submitted by,

Terry Whitson

*Posted: 11/14/2007 by Legislative Services Agency*  
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